

MEETING SUMMARY
FOREST MANAGEMENT ADVISORY COMMITTEE MEETING (FMAC)
Michigan United Conservation Clubs
2101 Wood Street
Lansing, Michigan
Wednesday, December 13, 2006
1 p.m.

FMAC Members Present

Mr. William "Bill" Bobier, Earthscape Resource Management
Ms. Lynne Boyd, Department of Natural Resources,
Forest, Mineral, and Fire Management (FMFM)
Mr. William "Bill" Cook, Michigan State University Extension
Mr. Leland Crawford, International Paper
Mr. Thomas Dunn, American Motorcycle Association
Ms. Margaret "Peg" Gale, Michigan Technological University
Mr. Desmond Jones, Michigan Tree Farm System
Mr. Dan Keathley, Michigan State University
Mr. William "Bill" Manson, Michigan Snowmobile Association
Mr. Frank Ruswick, Department of Environmental Quality (DEQ)
Mr. Warren Suchovsky, Suchovsky Logging
Mr. Stephen Shine, Michigan Department of Agriculture
Mr. Sam Washington, Michigan United Conservation Clubs (MUCC)
Mr. Gordon Wenk, Michigan Department of Agriculture
Ms. Anne Woiwode, Sierra Club Mackinac Chapter

FMAC Members Absent

Mr. Steven Arwood, Arwood Group
Mr. Joel Blohm, Great Northern Lumber of Michigan
Mr. Mark Janke, Janke Consulting
Ms. Susan Holben, Michigan Economic Development Corporation

FMAC COMMITTEE ADVISORS PRESENT

Ms. Leanne Marten, USDA Forest Service

PUBLIC ATTENDEES/GUESTS

Mr. George Berghorn, Michigan Forest Products Council

DEPARTMENT OF NATURAL RESOURCES (DNR) STAFF PRESENT

Mr. Dennis Fox, Chief of Staff, DNR
Ms. Kerry Gray, FMFM
Ms. Sandy Simpson, FMFM
Ms. Cara Boucher, FMFM

Lynne Boyd welcomed the members and guests. Provided a brief background on the new State Forester/Assistant Chief, Donna LaCourt (previously Perison), who will begin on Monday, January 8, 2007. Donna will attend all FMAC meetings. **Lynne** will remain the DNR's lead for FMAC.

ADOPTION OF AGENDA

Lynne Boyd gave an overview of the meeting agenda and provided agenda additional items: Conservation Summit, forest recreation funding, Forest Development Fund, and Emerald Ash Borer (EAB) quarantine update.

MOTION: **Anne Woiwode** moved to adopt the agenda with the additions. Supported by **Frank Ruswick**. Motion carried.

CONSERVATION SUMMIT

Dennis Fox provided updates for the upcoming Conservation Summit (Summit) to discuss long-term funding for the DNR. The Summit will be held on Wednesday, February 7, 2007 from 9 a.m. to 4 p.m. Participants to include the Natural Resources Commission, DNR Management Team, Department of Agriculture, DEQ, Citizens Committee for Michigan State Parks, and FMAC. The DNR is creating a steering committee and FMAC members can expect to receive a letter of invite in the near future. **Dennis** mentioned the presentation by Tom Clay to the DNR Management team on December 8 and is tentatively scheduled to present at the Summit. **Dennis** thanked the members of FMAC for their request to hold the Summit.

MICHIGAN'S EAB QUARANTINE UPDATE

Kerry Gray briefed the FMAC on the updated EAB quarantine. Changes in EAB quarantine include two levels of quarantine in the Lower Peninsula. Level I consists of the 21 contiguous EAB quarantined counties in southern and eastern Lower Michigan. Level II contains the remaining 47 counties in the Lower Peninsula. The counties in Level II are entirely quarantined. No quarantined items may leave the Lower Peninsula. The moratorium on purchasing or moving ash nursery stock which was in effect for the Lower Peninsula has now been extended to include the Upper Peninsula. Further information on the quarantine can be viewed at <http://www.michigan.gov/eab>. **Kerry** reiterated that citizens still cannot move hardwood from the Lower Peninsula to the Upper Peninsula.

The Forest Recreation Fund to increase fees at State forest campgrounds went to the Director for approval, but a 6-month window for comment by the Legislature is required. The Governor can sign the proposed fee structure and would go into effect May 2007. Thus far, the FMFM DNR has not received any comments, nor was there public comments made at the December 7, 2006 NRC meeting.

FOREST DEVELOPMENT FUND UPDATE

Lynne provided an update from the NRC Policy Committee on Finance and Administration funding sources. **Lynne** explained the revenue, expenditures, and fund balance for the Game and Fish Protection Fund. The fee package has been provided to the Legislature for its review as well. **Lynne** further discussed the DNR budget issues and that FMFM is reducing its expenditures. The members were informed that the deficit will grow each year. Revenue shortages for capital outlay for roads and bridges, maintenance of facilities, and fire equipment were discussed. There is no general fund for ORV's and **Lynne** briefly discussed how funding is spent for the ORV program.

Members discussed the quick downturn of the timber market and that revenue estimates have been downgrading each month. The DNR is working with the Department of Management and Budget regarding revenue shortages. **Lynne** explained the switch of funding sources to support various program. Discussion continued regarding funding for the fire protection program.

Members discussed utilizing the State forests 3.9 million acres and if carbon credits in those areas could be aggregated and traded. FMFM is reviewing small grants at aggregating small land owners, but have legal concerns relative to state regulations.

Lynne stated Governor's budget will be released in February 2007 and asked members for any revenue generating ideas.

Peg Gale volunteered to chair a workgroup of FMAC members consisting of **Warren Suchovsky, Dan Keathley, Karen Potter-Witter, Michigan State University (MSU),** and **Larry Leefers, MSU,** to develop a "White Paper" for presentation to the Legislature. At this point in time, the workgroup will only do revenue projections, not expenditures. FMFM staff will provide the members with information on how DNR revenues are projected.

Bill Bobier discussed the structure of bar graph and recommended separating the items out. FMFM staff discussed issues of lapsing projects and infrastructure needs outweigh need for capital outlay projects. FMFM has cut out almost all capital outlay, except emergency repairs. Due to forest certification, FMFM has put together an inventory of resource damage issues. FMFM cannot be in the "red" when this fiscal year closes.

Lynne discussed how cuts in travel for staff could affect the snowmobile program. Also, the importance of wildfire protection and the best way to fund it will be an important topic for discussion at the Summit. Members discussed how restricted funds are handled and sorted out.

ADOPTION OF MEETING SUMMARY

MOTION: **Warren Suchovsky** moved to adopt Wednesday, October 11, 2006 meeting Summary. Supported by **Desmond Jones**.
Motion carried.

PUBLIC COMMENT

None.

TOP ISSUES

Revisited the top issues as follows:

Short-term

1. Timber Supplies
2. Retention of Wood Utilization Industry
3. Sales of Industrial forest lands (TIMOs)
4. Fragmentation/Parcelization
5. Bio-economy (includes ecological services, biomass, etc.)

Long-term

1. Fragmentation/Parcelization
2. Retention of Wood Utilization Industry
3. Management and Utilization of Private Forests

National wildlife federation looking at the impacts of the sale of industrial forest lands with their "People and Land Project." **George** is on its advisory committee. The economic analysis is mostly done in some place, looking at January rollout date to release report. **Anne Woiwode** suggested gathering information for FMAC members to provide recommendations.

Bill Bobier mentioned encouraging the NRC and Director to review what the farm community is doing regarding energy. The Michigan Finance Authority is researching what supply is out there and what products can be made into energy. The FIA data counts standing trees and pellet plants are looking for dry/down material that is not counted in FIA data. The future is the other chemicals in wood and how to get it out. Members discussed the energy conferences held in Michigan (East Lansing) and Missouri and that wood was not on "horizon" for energy sources at either conference.

Leanne Marten suggested that the USFS Wisconsin Forest Products Lab in Madison has good information on biomass and other chemicals in wood products.

Bill Bobier discussed educational needs for carbon balancing. **Tom Dunn** provided briefed the members on what the automotive industry and pushing ethanol fuels.

Lynne provided an update on House Bill 5453, limiting factors legislation, introduced by Representative Casperson. **Cara Boucher** will ascertain what it will cost FMFM, along with a \$6m deficit this year.

DNR'S COMPARTMENT REVIEW PROCESS

Cara Boucher gave an overview (with handout) of the compartment review process for FMFM. **Cara** discussed process for compartments reviews and FMFM is working to get more public involvement. The announcements for the DNR open houses and compartment reviews for forest treatment on state forest land are located on the DNR website at <http://www.michigan.gov/dnr/0,1607,7-153-30301---,00.html>, Forest Management Unit Open Houses and Compartment Reviews. Members were encouraged to attend compartment reviews and open houses. Discussion continued.

QUALIFIED FOREST LAND PROCESS AND IMPLEMENTATION PLAN

Kerry gave an overview of the Information Sheet for Qualified Forest Property Under Public Act 378 of 2006. The window period to apply is much shorter than a one-year. The timeline for Department of Treasury to release application form for landowners to apply to be in the Qualified Forest Act program is early February 2007. FMFM received a lot of interest from citizens want to get their property enrolled. The state forester estimates the "capable of producing" 20 cu feet of wood volume. The landowner complete the application form and provide to their local assessor. The assessor will determine if their land falls into the category under the act and will provide to the Department of Treasury. Should a landowner chose to withdraw from the program, they must fill out the appropriate forms within 90 days of withdrawal or pay a \$5/per day penalty, or maximum of \$5000.

Annual reporting is required by 2008 to legislature.

Copies of the law creating the property tax qualified are listed on the DNR webpage. Letters were sent to all current commercial forest landowner and to 2006 commercial forest applicants explaining the Qualified Forest program and changes to the commercial forest program. The DNR and Department of Treasury are currently working on an implementation plan. DNR staff is meeting with Service Foresters and Conservation District Foresters to explain program as well. The DNR and Department of Treasury hope to have the Qualified Forest program procedures in place by February 2007 to allow landowners to begin to apply to the program. Landowners who have a stewardship plan will meet the criteria.

COMMITTEE CHAIR

MOTION: **Bill Bobier** moved to support the re-nomination of **Lynne Boyd** as Chair of the FMAC. Supported by **Margaret Gale**.
Motion carried.

Lynne briefly discussed member attendance and will address in early January with Director Humphries.

NEXT MEETING

MOTION: **Gordon Wenk** moved to adopt the 2007 FMAC meeting schedule as presented. Supported by **Bill Cook**.
Motion carried.

MOTION: **Tom Dunn** moved to adjourn. Supported by **Bill Bobier**.
Motion carried.

Meeting adjourned at 4 p.m.